

# Government of the District of Columbia Advisory Neighborhood Commission 4B



## **[DRAFT] RESOLUTION #4B-23-0906**

### **Calling for Reform to Vacant & Blighted Property Laws and Regulations for Residential and Commercial Properties Adopted September 26, 2023**

Advisory Neighborhood Commission 4B (Commission) takes note of the following:

- The District of Columbia has over 4,400 vacant or blighted properties, with 1,150 of those properties (26%) sitting vacant for over 4 years. At least 800 of all vacant or blighted properties across the District of Columbia are located in major commercial corridors, hereinafter defined as including Mixed-Use (MU), Neighborhood Mixed-Use (NC), and Mixed-Use-Uptown Arts (ARTS) zones.
- Ward 4 includes nearly 600 vacant or blighted properties, with 122 of those properties (21%) sitting vacant for 4 or more years. Almost 150 of all vacant or blighted properties in Ward 4 are in designated commercial corridors. Advisory Neighborhood Commission 4B includes approximately 127 vacant or blighted properties, with 27 of those properties (21%) sitting vacant for 4 or more years. At least 16 of all vacant or blighted properties in Advisory Neighborhood Commission 4B are in designated commercial corridors.<sup>1</sup>
- Vacant and blighted properties have a deleterious effect on our neighborhoods. They often have [dramatic impacts on public health](#), increasing lead exposure, heightening risk of asthma, and leading to developmental and behavioral problems; provide [cover for illegal activity](#); and create a domino effect on surrounding properties and [increase the likelihood of mortgage and tax foreclosures](#). Vacant and blighted

---

<sup>1</sup> This information is based on a data set current through July 2023 created from the District Department of Public Buildings' public dashboard and zoning boundaries from the District Office of Zoning. Importantly, this data is available citywide and easily demonstrates concentrations of vacant and blighted properties in both residential and commercial neighborhoods.

properties along commercial corridors impede the neighborhood's economic sustainability and growth potential, limiting some areas from attracting and maintaining businesses.

- The [Fiscal Year 2011 Budget Support Act of 2010](#) created a Class 3 property tax rate for vacant properties and a Class 4 tax rate for blighted properties in the District of Columbia. Class 3 is taxed at \$5 per \$100 of assessed value and Class 4 is taxed at \$10 per \$100 of assessed value. These values have not been adjusted for inflation since their creation, and there is no distinction between residential and commercial vacant and blighted properties.
- Despite increased tax rates for Class 3 vacant and Class 4 blighted properties, some property owners will pay the minimum in taxes owed to retain ownership and avoid a tax sale. In this instance, the property maintains its Class 3 vacant or Class 4 blighted status and begins to accumulate the higher tax rate. Despite increased tax rates for Class 3 and Class 4 properties, accumulated taxes may go unpaid or uncollected for many years. Thus, these tax penalties have proven to be an ineffective incentive for owners to rehabilitate the blighted status, occupy the vacant property, and/or dispose of the property by selling it.
- When a vacant or blighted property accumulates significant unpaid monies or is delinquent, the District Office of Tax and Revenue may file a tax lien covering all unpaid taxes, fees, penalties, and interest on the property. These tax liens are sold at auction through [a process that has been recognized as predatory](#) and often perpetuates a continued cycle of inaction and prolonged failure to remedy vacancies or blight. When a lien is sold via a real property tax sale, the current owner has one year from the sale date to redeem the property, which requires paying the minimum owed in taxes to maintain ownership, oftentimes starting the same cycle of non-compliance over again.
- Advisory Neighborhood Commission 4B, including Commissioner Alison Brooks (4B08), has repeatedly testified before the DC Council about the status of vacant and blighted properties within Advisory Neighborhood Commission 4B. Commissioners within Advisory Neighborhood Commission 4B have regularly reported vacant and blighted properties that the city had not previously categorized as such, indicating the lack of complete and accurate information regarding vacant and blighted properties.
- Advisory Neighborhood Commission 4B has experienced the displacement of several longstanding small local businesses that have been strong members of our community due to the redevelopment of their properties.<sup>2</sup> While the Commission has supported redevelopments

---

<sup>2</sup> These businesses have included Spicy Delight and Takoma Station Barber Shop (as part of the redevelopment of 308 Carroll Street, NW); Rhizome DC (as

that offer substantial affordable housing to mitigate the District’s housing crisis and advocated for supports for existing businesses to remain on these properties, this is not always feasible due to changes in the space layout, cost, or length of construction time. Connecting these businesses with opportunities to purchase or lease vacant or blighted commercial property nearby could both support these businesses and bring vacant and blighted properties back into use.

- DC Council Chair Phil Mendelson recently created a new vacant and blighted property working group. To the Commission’s knowledge, some Advisory Neighborhood Commissioners sit on this working group, but they are not representative of all eight wards, nor do they represent areas with known concentrations of vacant and blighted properties (e.g., within Ward 4, the Kennedy Street corridor).
- This Resolution builds on and Advisory Neighborhood Commission 4B is grateful for the work of [Advisory Neighborhood Commission 1A](#) and [Advisory Neighborhood Commission 1E](#), both of which approved resolutions calling for reform of the District’s vacant and blighted property laws.

**RESOLVED:**

- That Advisory Neighborhood Commission 4B calls on the DC Council to reform the way the District Department of Buildings classifies vacant and blighted properties, alter the District Office of Tax and Revenue’s incentives and penalties, and reform the real property tax sale process, including by:
  - creating a “Commercial Area” and “Residential Area” classification for Class 1 – 4 statuses to differentiate properties in commercial corridors versus residential corridors;
  - using Mixed-Use (MU), Neighborhood Mixed-Use (NC), and Mixed-Use-Uptown Arts (ARTS) zones to define properties that fall within the bounds of commercial corridors;
  - applying higher tax rates for “Commercial Area” vacant and blighted properties to incentivize sale or rehabilitation of these properties;
  - adjusting Class 3 and Class 4 tax rates in accordance with the length of the property’s vacancy status, thereby encouraging longstanding vacant property owners to act;

---

part of the redevelopment of 6950 Maple Street, NW); La Coop (as part of the redevelopment of 5501 1st Street, NW); and Talentos Bilingual Child Development Center (as part of redevelopment of 6636 & 6640 Georgia Avenue, NW).

- creating a “Class 4 Commercial Sale Incentive” that would cancel accumulated taxes or take other appropriate action with regard to a blighted commercial property if the property owner sells the property, and considering a preference for resale to local small businesses in good standing; and
  - reconsidering exceptions that allow a vacant property to receive the lower Class 1 or Class 2 tax rate to ensure they are achieving their intended purpose.
- That Advisory Neighborhood Commission 4B calls for adequate funding and staffing at the District Department of Buildings and the District Office of Tax and Revenue to allow for complete, accurate, and public-facing information regarding vacant and blighted residential and commercial properties, as well as to ensure timely collection of tax revenue.
  - That Advisory Neighborhood Commission 4B urges the DC Council to consider revisions and additions to [B25-0113](#), the Community Land Trusts’ Access and Homeowner Support Amendment Act of 2023, to include commercial properties (and not just multifamily housing) to facilitate local small business tenants or consider other legislation that would discount vacant lots or abandoned properties, provide tax sale preference, or otherwise provide acquisition financing support for non-residential real estate to promote local small businesses, including those displaced or at risk of displacement due to redevelopments of their properties.
  - That Advisory Neighborhood Commission 4B calls for the DC Council’s recently created vacant and blighted property working group to provide more equitable representation by Advisory Neighborhood Commissioners, taking into account known concentrations of vacant and blighted properties and longstanding disinvestment in specific neighborhoods, as well as that the working group’s existence, mission, and meetings be available and accessible to the public. The working group should have clearly defined goals and work product, including recommending legislative and regulatory reform, as well as providing feedback to the DC Tax Revision Commission.

**FURTHER RESOLVED:**

That the Commission designates Commissioner Erin Palmer, ANC 4B02, Commissioner Alison Brooks, ANC 4B08, and Commissioner Evan Yeats, ANC 4B04, to represent the Commission in all matters relating to this Resolution.

**FURTHER RESOLVED:**

That, in the event the designated representative Commissioners cannot carry out their representative duties for any reason, the Commission authorizes the Chair to designate another Commissioner to represent the Commission in all matter relating to this Resolution.

**FURTHER RESOLVED:**

That, consistent with DC Code § 1-309, only actions of the full Commission voting in a properly noticed public meeting have standing and carry great weight. The actions, positions, and opinions of individual commissioners, insofar as they may be contradictory to or otherwise inconsistent with the expressed position of the full Commission in a properly adopted resolution or letter, have no standing and cannot be considered as in any way associated with the Commission.

**ADOPTED** by voice vote at a regular public meeting (notice of which was properly given, and at which a quorum of \_ members was present) on September 26, 2023, by a vote of \_ yes, \_ no, \_ abstentions.